

data were obtained. The percent return on capital invested was 6.4 percent in 1945. This was greater than in any other period except 1917-1922, when it amounted to 6.8 percent. A study of these data indicates that the average full-time farmer was better off in 1945 than in previous years in terms of income, even after allowing for changes in the purchasing power of the dollar. However, average return to the operator and his family for their labor amounted to less than \$150 per month. This was slightly less than the average earnings of 68 rural residents in 1948 who lived on the farm but worked full time at non-farm work (Table 9).

FACTORS AFFECTING FARM RETURNS

In any community there are some farmers who make more money than others. Differences in income may be caused by many factors, the importance of which vary from year to year depending on economic conditions. Three factors that have a high correlation with income are size of business, crop yields, and prices received. The relation of these factors to labor income will be shown for the various periods. Of the group of 100 farms studied from 1917 to 1922, 83 were operated by the same farmers throughout the six-year period. A six-year average was calculated for each of these farms and these data used in studying factors which affected profits over a series of years.

SIZE OF BUSINESS

As a general rule the majority of farms in the Plant City area are small. Many are too small for most efficient operation. One way of increasing the efficiency of these farms, and thus increasing returns, is to increase the size of business. This may be done by increasing the acreage of crops grown, by planting a large part of the acreage in the more intensive crops, by increasing production per acre, by double-cropping and in other ways. It is entirely possible, however, for large businesses to make less money than small businesses in unfavorable years. When prices received for products grown are relatively high, profits are likely to increase with size of business. If prices are very low, losses are likely to increase with an increase in the size of the farm.

In this study, acres in truck crops were selected as the measure of size of business. This is a fairly good measure of size, but it does not include acres of citrus which were important on